

Proposed Budget 1984



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Chicago Transit Authority
Merchandise Mart Plaza
P O Box 3555, Chicago, Illinois, 60654



PROPOSED

1984

BUDGET

CHICAGO TRANSIT AUTHORITY
NOVEMBER, 1983

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Proposed 1984 Budget

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SUMMARY AND OVERVIEW

INTRODUCTION

Like most other transit systems throughout the country, CTA has had a financially difficult time for the past several years. In response to these fiscal pressures, and in lieu of any new outside financial assistance, CTA has taken several major steps to cut costs and increase revenues. These actions can be summarized as follows:

- In 1981 basic fare levels were increased by 50% resulting in a revenue recovery ratio well over 50%. (January 1981: base fare increased from 60¢ to 80¢; July 1981: base fare increased from 80¢ to 90¢.)
- During 1981 and 1982, service levels were reduced by almost 8%. (Accomplished in two phases in September, 1981 and January, 1982.)
- The employment level has been reduced by more than 1,200 employees, or 9.0% (with more than proportional cuts in administrative and managerial areas).
- The above actions will have the effect of reducing CTA's Public Funding Requirement for future years by approximately \$110 million annually (in 1983 dollars).
- In addition, the labor agreement with the unions was renegotiated to provide substantial savings:
 - the 1980 cost-of-living formula reduction is estimated to save over \$160 million through the end of the current contract (Nov. 1984).
 - the 1982-84 elimination/reduction of pension contributions by CTA is estimated to save over \$70 million.

The effect of all these cost reductions has been dramatic. In fact, the projected operating expenses for 1983 (after adjusting for the extra week in 1983) are less than the actual expenses of two years prior--in spite of two years of inflation and opening of the O'Hare rapid transit extension.

Not surprisingly, expense reductions of this magnitude do not come easily. The CTA is still adjusting to its new, more constrained environment. Certain functions have been eliminated. Others have been restructured in an attempt to operate more productively, or to focus on higher priority needs. However, many needs remain unmet. This was evidenced in Phase I of the 1984 Budget process when over 529 additional staff positions were requested. This request was reduced to 175 additional positions for consideration in Phase II of the process. Phase II screening further reduced this number to the 82 additional positions presented in this Proposed Budget (excluded are positions related to the proposed fare structure change--see Budget Highlights--and any changes related to Scheduled Transit Operations).

Two general items should be noted in connection with this proposed budget document:

1. Due to CTA's accounting year, 1983 had 53 weeks. This should be kept in mind when comparing 1984 to 1983.
2. During the budget year, some limited transfers are made between budget line-items in order to meet unforeseen needs or events. These are approved by the Executive Director or Chairman and notification is then provided to the Board. However, to avoid confusion in financial reporting, the formal CTA Budget is not changed. (The transfers approved through October, 1983 are shown in Appendix 1.)

OPERATING BUDGET HIGHLIGHTS

In summary, the 1984 Proposed Budget compares to 1983 as follows

(in thousands):

	<u>1983*</u> <u>Budget</u>	<u>1983*</u> <u>Projected</u> <u>Results</u>	<u>1984</u> <u>Proposed</u> <u>Budget</u>	<u>% Change</u> <u>1984 vs. 1983</u> <u>Projected</u>
Operating Expenses	\$563,135	\$544,971	\$557,691	2.3
System-Generated				
Revenues	<u>289,084</u>	<u>274,973</u>	<u>278,846</u>	<u>1.4</u>
Public Funding Required				
--Operations	274,051	269,998	278,845	3.3
Unanticipated and				
Associated Capital				
Expense	<u>300</u>	<u>90</u>	<u>1,400</u>	<u>-</u>
Total Funding Required	<u>\$274,351</u>	<u>\$270,088</u>	<u>\$280,245</u>	<u>3.8</u>

Two significant departures from the current situation were important in development of the Proposed Budget. First, new State Legislation was passed that has several implications for CTA's expense and revenue levels, and the resultant public funding requirement. Most importantly, the legislation requires a substantial reduction from current expense levels (estimated at \$36 million for State FY 1984--July 1983-June 1984) along with a 50% revenue recovery ratio in order to meet the amount of public funding that will be available to CTA. We believe that the Proposed Budget satisfies this requirement.

The second major departure from the existing situation is the proposal for a restructuring of the current fare system in order to alleviate the major problems that have been encountered trying to handle the many dollar bills used for fare payment. Basically, the new fare structure involves the elimination of the transfer and the substitution of a requirement to pay a fare (though a lesser fare) each time a rider boards a dif-

*Note: Due to CTA's accounting year, 1983 had 53 weeks.

ferent bus or changes between bus and rapid transit service. In addition, a peak/off-peak fare differential would be established.* The anticipated benefits of the proposed plan include:

1. A major reduction in dollar bills used for fare payment due to the lower basic fare. This in turn will reduce many of CTA's costs that are associated with counting and handling this currency.
2. A savings from the elimination of the requirement to print and distribute transfers and the abuse associated with their use.
3. A reduction in the number of vehicles that have to be taken out of service due to jammed or broken fareboxes and in the cost of repairing them.
4. An increase in short-distance, discretionary type passenger trips. It is believed that many short, one-vehicle trips are discouraged by the high cost of the current fare structure.
5. An increase in system efficiency by encouraging some passengers to ride in off-peak hours when capacity is more available.

*The fare change would be basically as follows:

	Current		Proposed			
	Adult	Reduced	Adult		Reduced	
			Peak	Off-Peak	Peak	Off-Peak
Bus	\$.90	\$.40	\$.60	\$.50	\$.30	\$.25
Rail	.90	.40	.85	.75	.40	.35

Transfers (\$.10) would be eliminated, monthly passes would increase from \$40 to \$42, and a new bi-weekly pass would be sold at \$21.

At the same time, some costs will be increased by the new fare plan. For example, part of the plan involves the sale of a new bi-weekly pass --this will entail additional printing, handling, distribution and accounting costs. However, excluding revenue impacts, the new fare plan is estimated to save CTA about \$2.4 million per year (see Appendix 2 for details).

On the revenue side, the proposed fare plan is expected to generate slightly less (\$1.5 million) than the current fare structure--however, it is projected to be sufficient when combined with other revenues to meet the 50% revenue recovery requirement of the new State Legislation.

In most other respects, the 1984 Proposed Budget represents a continuation of CTA's current activities and program directions. However, some changes are proposed and these are highlighted below (not included are changes related to the new fare structure described above).

In "operational" areas (Transportation and Maintenance):

1. Increased emphasis is being placed on the performance and productivity of operating employees through such programs as the Employee Safety and Performance Program, and the Performance Indicator and Manpower Utilization Charting System. In addition, the budget proposes eleven additional staff for increased training/retraining and instruction efforts, and for the development of standard operating procedures.

2. In bus maintenance, a total of \$4.6 million has been transferred from the operating to the capital budget under a new federal program whereby certain maintenance costs (mainly high-value parts) are now eligible for capital funding. (Associated Capital Maintenance)
3. The opening (or full operation) of certain new facilities such as the new Rosemont and O'Hare terminals and the Kedzie Garage will require additional staffing. A total of nine transportation and maintenance employees are proposed (not including any new agents, etc. which are budgeted under Scheduled Transit Operations).
4. Continuation of the in-house rebuilding of transmissions is planned. This effort is estimated to save CTA approximately \$500,000 annually.

In non-operational "staff" areas, there are also a number of changes proposed:

1. Internal Audit and Field Review are proposed for staff increases of one and two persons respectively in order to enhance CTA's capability for audit activities and increased inventories of assets.
2. The Capital Development Department is proposed for a staffing increase of 6 persons in order to better handle the increased complexity and size of CTA's capital program. (60% of the cost of this addition will be paid for under the capital program.)

3. An increase of two staff is proposed for the recently formed Strategic Planning Department in order to increase its capability for developing the plans and strategies necessary for dealing with CTA's increasingly complex environment.
4. In the General Attorney's area, the current contract for services related to Workers' Compensation is planned for termination June 1, 1984, and the function will be completely brought in-house. Two additional staff are proposed to handle this added workload.
5. In the Insurance area, an increase is shown due to the Board's recent decision to contract for excess public liability insurance. In addition, \$60,000 is proposed for directors' and officers' liability coverage.
6. In Materials Management, two additional staff are proposed in order to increase CTA's ability to monitor vendor performance and improve quality control.
7. As a result of a recently completed Information Systems Needs Study, \$300,000 is proposed in Datacenter for contractual work related to feasibility studies and subsequent system design, programming and implementation for five major data processing projects initially identified as having significant cost/benefit opportunities (only one or two of the projects would likely proceed past the feasibility phase in 1984). Two additional staff are proposed

in order to provide in-house capability and control related to this effort. Also, two staff are proposed to handle the increased workload in computer operations resulting from enhancements to current systems and increased computer utilization. \$100,000 is proposed for computer hardware such as terminals and printers, mainly as part of the effort to get more and more computer capability into the hands of users.

8. In Operations Planning, \$60,000 is proposed to begin implementation of automatic passenger counters at CTA. This effort is expected to provide major productivity improvements in future years, particularly as it will provide the kind of data necessary for planning very selective changes to routes that may be productive overall, but have very unproductive segments or hours of operation that can now only be identified through very labor-intensive means.

KEY BUDGET ASSUMPTIONS

In developing a budget estimate, many assumptions must be made regarding such factors as future economic conditions, timing of program changes, and cost and ridership trends. Following are the key assumptions used in developing the Proposed 1984 Budget:

1. Inflation. Many economic forecasters have projected that inflation, as measured by the Consumer Price Index, will increase by about 5% in 1984. In addition, the Regional Transportation Authority previously recommended using 5% for its FY 1984 (Oct. 1983-Sept. 1984). We have therefore used 5% as our estimate for the increased cost of labor and most other costs. However, for fuel and electric power we have used slightly different inflation estimates (see below).
2. Diesel Fuel. During 1982 and 1983, CTA experimented with the use of #2 diesel fuel. (#2 diesel is not as highly refined as #1 diesel and costs about \$.05-.06 per gallon less. However, it does make buses harder to start in winter months.) The continued use of this fuel is assumed in 1984, with a blend of #1 and #2 diesel being used in the colder winter months. An average price of \$.985 per gallon has been projected. This represents a price increase of about 11.3% from 1983's projected average of \$.885 per gallon.

3. Electric Power. The 1984 estimate represents a 10.3% increase over projected 1983 (after adjusting for the extra week in 1983) and assumes that Commonwealth Edison will be granted their requested rate increase by the Illinois Commerce Commission effective April, 1984. A small part of the cost increase is due to the opening of the O'Hare extension all the way to the airport (see below).
4. O'Hare Extension. We have assumed that the last segment of the O'Hare rapid transit extension will open to the airport approximately April 1st.
5. Farebox Revenue. For 1984, we have assumed that the proposed Peak/Off-Peak No Transfer fare structure change will be implemented. (See Budget Highlights.)
6. Leveraged Leasing. The sale of depreciation benefits on new rolling stock as provided by the Economic Recovery Tax Act of 1981 is estimated to yield \$4.0 million in 1984 (vs. \$4.1 million in 1983).
7. City/County Contribution. The \$5 million contribution by the City of Chicago and Cook County that previously went to the Regional Transportation Authority is included in CTA's System-Generated Revenue for 1984 per the new State Legislation.

BUDGET DEVELOPMENT PROCESS

Budgets are developed at CTA through both a "bottom-up" and "top-down" process. Basically, departments are asked to submit their budget requests or needs, and these are then reviewed against a projection of funding likely to be available from system-generated revenues and external sources.

In order to facilitate budget review and analysis, departments are initially asked to submit their goals and key programs or objectives for the following year, and to identify any significant changes proposed in staffing or dollars (Phase I). These are then screened and an initial determination is made as to what should be included in the next phase.

In Phase II, the departments translate their plans into specific, detailed staffing and dollar requests. These are again reviewed against funding expected to be available and a proposed line-item budget is prepared for presentation to the CTA Board. Upon Board approval, the budget is allocated into accounting periods (Phase III), and this is then used to monitor and control expenses throughout the year.

1983
BUDGET PERFORMANCE

Operating Expenses

Operating Expenses for 1983 are projected to be \$545.0 million. This is \$18.1 million or 3.2% under budget and is in large part due to lower than anticipated inflation and less hours worked than budgeted. Details are provided below.

Labor

Labor is projected to result in a \$.3 million, or 1.9% favorable variance. The primary reason is the very favorable trend in inflation as measured by the Consumer Price Index (Chicago's September, 1983 CPI was only 2.1% over September, 1982, whereas 6% was assumed in the Budget). Another major factor was less hours worked than budgeted, this being due to a mild winter (less overtime) and not all budgeted positions being filled. Finally, more work was accomplished on capital projects than had been anticipated thereby shifting some labor costs to the capital program.

Material

Material is projected at \$.8 million or 1.8% over budget. Increased in-house work that had been budgeted as outside contract work contributed to this variance. (Corresponding expense reductions were made in contractual work.)

Fuel

Expenditures for diesel fuel are projected to be \$4.3 million or 15.7% under budget. The major factor has been the softening in the oil market

and the resultant lower than expected price increases in the latter part of the year. Use of the cheaper #2 diesel fuel has continued, with #2 being used exclusively in the warmer months, and a blend of #1 and #2 in the winter.

Electric Power

Electric Power for revenue equipment is projected to be \$1.2 million or 6.5% under budget. A major factor appears to be a stabilization in the cost-of-fuel adjustment factor (due in part to continued conversion to nuclear fuel according to Commonwealth Edison).

Provision for Injuries and Damages

The 1983 Budget for this item was reduced to \$3.2 million due to severe budget constraints (and due to a substantial reserve). Because the amount accrued as expense is the same as the amount budgeted, there is no budget variance. However, it is estimated that actual claims-related expenses will be about \$10.5-\$11.0 million in 1983.

All Other Expenses

Expenditures in this category are projected at \$33.9 million, \$5.2 million or 13.3% under budget. One reason for this significant variance was the transfer of \$1.0 million to cover the rebuilding of transmissions in-house rather than by outside contract (an analysis indicated it could be done more cheaply in-house). Progress in reducing or catching up with other major rebuild needs was also a factor, as was reduced inflationary pressure on contractual costs.

System-Generated Revenue

System-Generated Revenue for 1983 is projected to be \$275.0 million, \$14.1 million or 4.9% under the 1983 Budget of \$289.1 million. This variance is detailed below.

Fares

Fares are projected at \$266.5 million, \$4.0 million or 1.5% below budget for the year. After staying close to budget for the first half of 1983, fare revenue declined to 3.8% under budget for the third quarter. It had been expected that fare revenue would increase slightly during the year reflecting the economic upturn. However, in spite of the additional revenue from the opening of the O'Hare extension, fare revenue through the 9th Period was 1.0% below that for the same period of the previous year.

Charter Service

Charter Service revenue is projected at \$608,000, or \$172,000 under the budget. The primary reason is that the budget assumed many charters for Chicagofest that did not materialize.

Advertising and Concessions

Advertising and Concession revenue is projected at \$2.5 million, \$92,000 or 3.8% over budget. Advertising is projected to exceed budget by \$50,000 as receipts have been running in excess of the minimum guarantee. Additionally, Concession income is projected to exceed budget by \$31,000 due to increases in Concession fee agreements. Other small amounts include better than anticipated revenue from phone commissions and billboard advertising.

Investment Income

Investment Income is projected at \$1.1 million, exactly on budget.

All Other Revenue

All Other Revenue is projected at \$5.9 million, \$8.4 million or 59% under the 1983 Budget of \$14.3 million. The major variance here is the projection of no revenue from CUTD (Chicago Urban Transportation District) during 1983 due to the legal uncertainty regarding the District. This item had been budgeted at \$9.0 million. This unfavorable variance is slightly offset by a projected favorable variance in Leveraged Leasing revenues (\$4.1 million vs. \$3.9 budgeted), and by a favorable variance in parking income due to revenue from O'Hare extension parking facilities that had not been budgeted. Other items budgeted in this category include rental income and revenue from student riding cards.

Special Item--Adjustment of Token Liability

Due to a recent audit finding, a special one-time adjustment of \$1.6 million was made to reflect a change in the value of outstanding tokens as a result of fare increases in 1981.

1984 PROPOSED BUDGET vs. 1983 PROJECTED RESULTS

Operating Expenses

The 1984 Proposed Budget for Operating Expenses is \$557.7 million. This represents an increase of \$12.7 million or 2.3% over the projected 1983 results. (Certain factors make 1984 not easily comparable with 1983: 1) 1984 is a 52 week year, whereas 1983 was 53 weeks; and, 2) for 1984 a new fare structure, together with its associated Operating Expense changes is assumed.

Labor

Labor costs are estimated to be \$424.3 million which represents an increase of \$1.0 million or .2% over projected 1983 results. The 52 week year is a factor here.

Material

Material costs are estimated to be \$43.9 million, a small decrease of \$.3 million or .7%. Estimated inflation (5%) combined with the fact that 1984 is one week less would normally have yielded a Material budget of approximately \$45.5 million. It is less than that due to the transfer of \$1.8 million from the Operating Expense budget to the Capital budget made possible by a new Federal program (Associated Capital Maintenance). This program allows certain maintenance items formerly paid for with operating funds to be eligible as capital purchases.

Fuel

Diesel Fuel is estimated to cost \$25.2 million or 8.2% more than in 1983. The average price per gallon is estimated at 98.5¢ which assumes the continued use of #2 diesel for most of the year and a blend of #1 and #2 in the colder months.

Electric Power

Traction Power is estimated to be \$18.5 million for 1984. This represents an increase of \$1.4 million or 8.2%. This estimate assumes that Commonwealth Edison will be granted a rate increase by the Illinois Commerce Commission effective April, 1984. A small part of the increase is due to the opening of the O'Hare extension all the way to the airport.

Provision for Injuries and Damages

The 1984 Budget estimate is \$10.9 million, a significant increase from 1983's \$3.2 million. The 1983 Budget was reduced substantially due to severe budget constraints (and an adequate reserve); however, for 1984 a more appropriate amount has been included based on recent actual claims-related expenses.

All Other Expenses

Expenses for utilities, contract services, maintenance and other expenses are estimated to be \$34.9 million, a small increase of only \$1.0 million or 3%. The reasons for the small increase are several--one less week than in 1983, shift of operating expenses to capital (Associated Capital Maintenance), reduced expenses due to the new fare structure, all offset by some proposed new contracts/programs and inflation.

System-Generated Revenue

The 1984 Proposed Budget for System-Generated Revenue is \$278.8 million. This represents an increase of \$3.9 million or 1.4% over projected 1983 results.

Fares (includes monthly and bi-weekly passes)

The 1984 Budget is \$262.9 million, \$3.6 million or 1.3% less than the 1983 projected results. Several factors account for this small reduction. First, 1984 is a 52 week year whereas 1983 was 53 weeks. Secondly, the 1984 Budget assumes the previously discussed fare restructuring. Included is an estimated increase in revenue due to the new pass pricing (\$6.0 million) and a relatively conservative estimate of the amount of increased revenue that will result from the elimination or reduction of fare and transfer abuse (\$3.4 million).

Charter Services

The 1984 Budget is \$650,000 which is \$42,000 or 6.9% more than 1983. This budget assumes that we will generate more charter revenue due to Chicagofest than in 1983. As previously mentioned, charter revenue from Chicagofest did not materialize in 1983.

Advertising & Concessions

The 1984 Budget is estimated at \$2.7 million, \$200,000 or 8.8% more than the 1983 projected results. The major reasons for the increase are higher concession rents and new concessions along the O'Hare Extension, combined with a small increase in advertising reflecting the fact that the contract with TDI/Winston Network is running slightly in excess of the minimum guarantee.

Investment Income

The 1984 Budget is \$1.5 million, \$400,000 or 36.4% more than the projected 1983 results. With the passage of the new State Legislation, better cash flow is expected enabling CTA to take more advantage of short-term investment opportunities.

All Other Revenue

The 1984 Budget is \$11.1 million, \$5.2 million or 88.1% more than the projected 1983 results. There are two main reasons for this large increase. The passage of the new State Legislation allows CTA to directly receive the City/County contribution of \$5 million which previously went to RTA. Additionally, it is proposed that fees on all CTA parking lots be increased to \$1.00 (from 50¢ at most lots).

1984 CAPITAL BUDGET HIGHLIGHTS

During 1984, the following key expenditures and activities are expected under approved grant projects:

Bus Rolling Stock

- Make final payment for Special Service and articulated buses, and complete delivery of standard buses under the 200 bus order (about 65 buses).
- Continue inspection at point of manufacture and conduct engineering meetings.

Bus Support Facilities

- Complete the construction of Kedzie garage, underground fire protection system at South Shops, salt storage enclosure at 69th, and 290 bus passenger shelters.
- Complete the design element for North Avenue garage, waste water control at North Park and Forest Glen, articulated bus maintenance facility at South Shops and increased diesel fuel storage at 69th and North Park garages.
- Begin construction of the new bus garage facility at 103rd/Stony Island and waste water control facilities at North Park and Forest Glen.

Power, Signal & Communications

- Complete the consolidated radio communication system.
- Install contact rail on the Ravenswood and Lake Street and in 54th Yard.
- Install public address system at various rapid transit platforms.
- Continue the replacement of telephone cable at various locations, upgrading the cab signal system and installing contact rail heaters in critical areas of ice formation.
- Complete the design of substations at Linden, Kimball, Skokie, Racine and Haymarket.

Rail Rolling Stock

- Complete the delivery of the initial order for 300 rapid transit cars and begin receiving cars from the second order for 300 more.

- Continue upgrading components on the older series cars, equip 100 new cars with undercoupler snow plows and begin major rehabilitation of cars numbered 5-50.

Rail Stations

- Make final payment on completed projects at Desplaines/Congress, 79th/Dan Ryan, Polk/Douglas, Western/Ravenswood.
- Begin construction at Pulaski/Douglas for a new station and renovation of 16 escalators on the Milwaukee line.
- Complete engineering for contract documents for Clark/Lake, Quincy/Wells, Adams/Wabash, and Linden.

Rail Support Facilities, Yards and Shops

- Continue construction for the upgrading of Skokie Shops and complete span renewal at two locations.
- Complete the design of Howard Yard and lighting at interlocking plants.
- Begin design of new yard at Linden and repair shop at Kimball.

Rail Track & Structures

- Continue the renewal of components on the track and structure at various locations.
- Begin development of a track and structure information system.

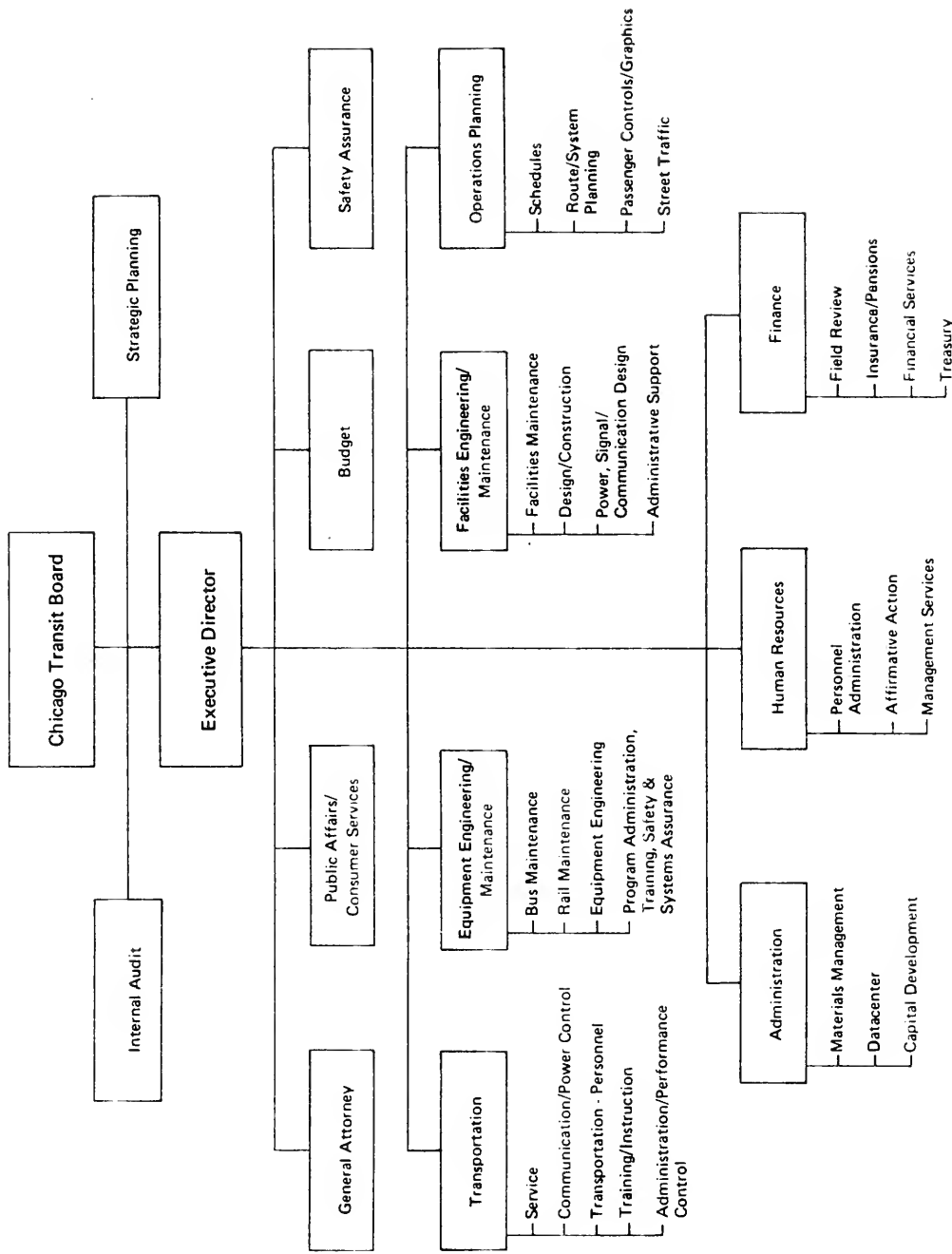
Equipment and Non-Revenue Vehicles

- Continue the replacement of service vehicles, equipment, tools and administrative equipment.
- Prepare specification for bus fareboxes and expand the pass reader development project.

Miscellaneous

- Complete the Section 15 reporting system module.

CHICAGO TRANSIT AUTHORITY



SUMMARY DATA

Summary of Expenses, Revenues and Public Funding

(000s Omitted)

	1983 Budget	1983 Projected Results	1984 Proposed Budget
<u>OPERATING EXPENSES</u>			
Labor	\$ 431,599	\$ 423,336	\$ 424,343
Material	43,436	44,239	43,872
Fuel--Revenue Equipment	27,637	23,300	25,200
Electric Power--Revenue Equipment	18,242	17,064	18,464
Provision for Injuries and Damages	3,168	3,168	10,935
All Other Expenses	39,053	33,864	34,877
Total Operating Expenses	<u>563,135</u>	<u>544,971</u>	<u>557,691</u>
<u>SYSTEM-GENERATED REVENUE</u>			
Fare Box and Monthly Passes	270,484	266,500	262,918
Charter Service	780	608	650
Advertising & Concessions	2,410	2,502	2,721
Investment Income	1,100	1,100	1,487
All Other Revenue	14,310	5,870	11,070
Adjustment of Token Liability	-	(1,607)	-
Total System-Generated Revenue	<u>289,084</u>	<u>274,973</u>	<u>278,846</u>
Public Funding Required for Operations	274,051	269,998	278,845
Unanticipated Capital Expenditures	300	90	300
Local Share (Assoc. Capital Maint.)	-	-	1,100
Total Public Funding Required	<u>\$ 274,351</u>	<u>\$ 270,088</u>	<u>\$ 280,245</u>

Note: CTA FY 1983 is 53 weeks long.

Summary of "All Other Expenses"

Category	1983 Budget	1983 Projected Results	1984 Proposed Budget
Allowance-Tools & Passes	\$ (27,500)	\$ (24,189)	\$ (27,000)
Utilities	11,901,600	11,842,236	13,439,100
Maintenance & Repair	21,129,900	18,193,835	16,140,200
Advertising & Promotion	180,700	169,610	194,600
Other Services	4,489,200	5,312,320	4,823,700
Meetings & Travel	193,200	200,835	185,900
Training	-	-	107,000
Reimbursed Auto Expense	253,700	261,861	276,100
General Taxes	1,000	5,298	5,500
Leases & Rental	5,183,400	5,244,451	5,770,300
General Expenses	998,400	735,288	851,200
Datacenter Expense--Credit	(7,324,900)	(6,984,275)	(8,034,900)
Datacenter Expense--Allocation	7,254,800	6,843,200	7,970,400
Casualty & Liability Losses	680,000	339,508	633,000
Corporate Insurance Premiums	135,000	88,163	149,100
Technical Studies Expense	150,000	109,939	130,000
Cost Allocation--Capital (Cr.)	(2,500,000)	(4,706,353)	(3,500,000)
Other Credits	(774,800)	(858,447)	(819,800)
Matl./Supplies & Damage Reserve (Cr.)	(2,870,300)	(2,909,473)	(3,417,900)
Total All Other Expenses	<u>\$39,053,400</u>	<u>\$33,863,807</u>	<u>\$34,876,500</u>

Note: CIA FY 1983 is 53 weeks long.

Departmental Budget Summary
1984 vs. 1983

(Operating Budget)

Department	1983 Budget	1983 Projected	1984 Proposed
<u>Board/Chairman/Exec. Director/Staff</u>			
CTA Board	\$ 295,000	\$ 271,361	\$ 278,600
Chairman	354,200	338,426	374,900
Executive Director	1,288,600	1,202,109	277,600
General Attorney	7,389,100	7,459,271	7,583,500
Public Affairs/Consumer Services	1,397,300	1,333,016	1,326,100
Budget	745,400	856,711	1,121,800
Strategic Planning	121,900	135,838	245,900
Internal Audit	654,000	492,422	599,300
Safety Assurance	743,900	685,043	709,100
Sub-Total	<u>12,989,400</u>	<u>12,774,197</u>	<u>12,516,800</u>
<u>Operating Departments</u>			
Transportation	282,597,200	278,812,192	276,736,100
Equipment Engineering/Maintenance	160,074,800	152,547,954	152,151,600
Facilities Engineering/Maintenance	85,509,100	81,965,777	88,607,600
Operations Planning	4,629,500	4,710,669	4,557,800
Sub-Total	<u>532,810,600</u>	<u>518,036,592</u>	<u>522,053,100</u>
<u>Administration Group</u>			
Group Manager, Administration	152,500	152,179	152,700
Materials Management	7,400,400	7,569,470	7,798,400
Datacenter	7,324,900	6,984,276	8,034,700
Capital Development	525,000	304,230	462,900
Sub-Total	<u>15,402,800</u>	<u>15,010,155</u>	<u>16,448,700</u>
<u>Human Resources Group</u>			
Group Manager, Human Resources	113,900	107,996	105,800
Personnel Administration	1,551,500	1,434,959	1,799,900
Affirmative Action	154,700	134,562	194,300
Management Services	7,341,600	6,987,457	7,561,600
Sub-Total	<u>9,161,700</u>	<u>8,664,974</u>	<u>9,661,600</u>
<u>Finance Group</u>			
Group Manager, Finance	202,600	169,320	187,500
Field Review	523,500	488,702	549,100
Insurance/Pensions	1,461,800	1,067,934	1,385,100
Financial Services	3,890,600	3,603,605	4,194,000
Treasury	5,714,500	5,760,736	3,845,200
Sub-Total	<u>11,793,000</u>	<u>11,090,297</u>	<u>10,160,900</u>
<u>Non-Departmental</u>	<u>(19,022,600)</u>	<u>(20,605,639)</u>	<u>(13,150,000)</u>
Total CTA	\$ <u>563,134,900</u>	\$ <u>544,970,576</u>	\$ <u>557,691,100</u>

Note: CTA FY 1983 is 53 weeks long

Departmental Budget Summary
1984 Line-Item

(Operating Budget)

Department	Labor	Material	Other	Total
<u>Board/Chairman/Exec. Director/Staff</u>				
CTA Board	\$ 233,100	\$ 2,200	\$ 43,300	\$ 278,600
Chairman	289,000	3,300	82,600	374,900
Executive Director	253,400	5,700	18,500	277,600
General Attorney	5,299,600	45,500	2,238,400	7,583,500
Public Affairs/Consumer Services	1,018,500	23,100	284,500	1,326,100
Budget	493,100	10,900	617,800	1,121,800
Strategic Planning	202,300	600	43,000	245,900
Internal Audit	515,700	1,600	82,000	599,300
Safety Assurance	636,600	11,500	61,000	709,100
Sub-Total	<u>8,941,300</u>	<u>104,400</u>	<u>3,471,100</u>	<u>12,516,800</u>
<u>Operating Departments</u>				
Transportation	274,829,200	718,000	1,188,900	276,736,100
Equipment Engineering/Maintenance	77,072,200	61,139,500	13,939,900	152,151,600
Facilities Engineering/Maintenance	48,195,900	5,802,800	34,608,900	88,607,600
Operations Planning	3,940,300	35,900	581,600	4,557,800
Sub-Total	<u>404,037,600</u>	<u>67,696,200</u>	<u>50,319,300</u>	<u>522,053,100</u>
<u>Administration Group</u>				
Group Manager, Administration	139,600	1,300	11,800	152,700
Materials Management	5,902,500	186,000	1,709,900	7,798,400
Datacenter	3,629,100	264,100	4,141,500	8,034,700
Capital Development	375,800	10,300	76,800	462,900
Sub-Total	<u>10,047,000</u>	<u>461,700</u>	<u>5,940,000</u>	<u>16,448,700</u>
<u>Human Resources Group</u>				
Group Manager, Human Resources	101,400	900	3,500	105,800
Personnel Administration	1,257,800	11,400	530,700	1,799,900
Affirmative Action	150,400	2,900	41,000	194,300
Management Services	2,253,500	820,700	4,487,400	7,561,600
Sub-Total	<u>3,763,100</u>	<u>835,900</u>	<u>5,062,600</u>	<u>9,661,600</u>
<u>Finance Group</u>				
Group Manager, Finance	116,800	600	70,100	187,500
Field Review	524,400	900	23,800	549,100
Insurance/Pensions	540,000	5,300	839,800	1,385,100
Financial Services	2,892,500	24,000	1,277,500	4,194,000
Treasury	3,080,300	167,200	597,700	3,845,200
Sub-Total	<u>7,154,000</u>	<u>198,000</u>	<u>2,808,900</u>	<u>10,160,900</u>
<u>Non-Departmental</u>	<u>(9,599,800)</u>	<u>(224,100)</u>	<u>(3,326,100)</u>	<u>(13,150,000)</u>
Total CTA	<u>\$424,343,200</u>	<u>\$69,072,100</u>	<u>\$64,275,800</u>	<u>\$557,691,100</u>

Departmental Position Summary
1984 vs. 1983

<u>Department</u>	<u>1983 Budgeted Positions</u>	<u>1984 Proposed Budgeted Positions</u>
<u>Board/Chairman/Exec. Director/Staff</u>		
CTA Board	9	9
Chairman	5	7
Executive Director	5	5
General Attorney	133	141
Public Affairs/Consumer Services	30	29
Budget	12	12
Strategic Planning	4	6
Internal Audit	12	14
Safety Assurance	17	17
Sub-Total	<u>232</u>	<u>240</u>
<u>Operating Departments</u>		
Transportation	856	890
Equipment Engineering/Maintenance	2,179	2,203
Facilities Engineering/Maintenance	1,433	1,455
Operations Planning	110	111
Sub-Total	<u>4,578</u>	<u>4,659</u>
<u>Administration Group</u>		
Group Manager, Administration	3	3
Materials Management	153	156
Datacenter	100	104
Capital Development	18	25
Sub-Total	<u>274</u>	<u>288</u>
<u>Human Resources Group</u>		
Group Manager, Human Resources	2	2
Personnel Administration	31	35
Affirmative Action	7	7
Management Services	63	67
Sub-Total	<u>103</u>	<u>111</u>
<u>Finance Group</u>		
Group Manager, Finance	2	2
Field Review	13	15
Insurance/Pensions	27	27
Financial Services	91	97
Treasury	94	82
Sub-Total	<u>227</u>	<u>223</u>
Total (Excluding Scheduled Transit Personnel)	<u>5,414</u>	<u>5,521</u>
Scheduled Transit Personnel	<u>7,013*</u>	<u>6,995*</u>
Total CTA	<u>12,427</u>	<u>12,516**</u>

* Scheduled Transit Positions are based on hours equivalency.

** The equivalent of approximately 330 of these positions are funded by non-operating sources (capital program, etc.).

1984 Capital Budget

Anticipated Capital Program and Non-Operating Expense items for which funds are estimated to be available in Fiscal Year 1984:

<u>Program</u>	<u>Grant Name</u>	<u>1984 Budget</u>
Phase I	IL-03-0024	\$ 116,550
Phase II	IL-03-0040	2,689,724
Phase III	IL-03-0062	14,538,438
Phase IV	IL-03-0066	6,180,368
RT Cars	IL-03-0068	86,935,800
Section 5 Bus	IL-05-0017	10,389,232
IST Winterization	IL-23-9001	4,393,350
103rd/Stony Island - Sec. 5	IL-05-0020	262,500
Phase V	IL-03-0084	16,923,718
IST Suburban	IL-23-9003	78,750
IST City	IL-23-9007	1,156,550
IST Security	IL-23-9009	1,158,300
FY '81 Sec. 5 Bus	IL-05-0027	305,258
FY '81 Sec. 3 Bus	IL-03-0086	5,552,085
Phase VI	IL-03-0095	3,676,118
FY '82 Sec. 5 Bus	IL-05-0037	1,012,205
FY '82 Sec. 3 Bus	IL-03-0094	290,720
FY '83 Sec. 9	IL-09-0006	21,445,125
Phase VII	IL-03-0099	1,678,318
103rd/Stony Island - Sec. 3	IL-03-0104	9,866,850
Pass Reader Development	IL-03-0103	150,000
Sub-Total		<u>188,799,959</u>
CTA Job Orders (Non-Operating Expense)		1,400,000
Technical Study Grants		540,000
Local Share - Associated Capital Maintenance--RTA		1,100,000
Unanticipated Capital Expenditures--RTA		<u>300,000</u>
Sub-Total		<u>3,340,000</u>
Total		<u>\$192,139,959</u>



APPENDICES



Appendix # 1

1983 Budget Transfers

(January, 1983 - October, 1983)

To		From		Purpose
Amount	Department	Line-Item	Amount	
\$ 14,000	Chairman's Office	Labor	\$14,000	Additional Position for Intergovernmental Affairs. Additional funding for Travel and related expenses. Transfer of a budgeted position.
1,200	Public Aff./Cons.Services	Mtgs./Travel	\$1,200	
23,700	Strategic Planning	Labor	23,700	
317,700 656,300	Equip. Eng./Maint.	Labor Material	974,000	To accommodate in-house transmission repair, provide for a Rail Quality Assurance function and improve Tech. Rail services for the Rail Maintenance Section.
22,800	Equip. Eng./Maint.	Other Services	22,000	To process data collected during fuel additive testing.
5,000	Equip. Eng./Maint.	Mtgs./Travel	5,000	To provide necessary funding for un-anticipated travel.
400,000	Facil. Eng./Maint.	Other Services	400,000	To provide for Security services at CIA facilities.
26,000	Facil. Eng./Maint.	Maint. & Repair	26,000	To rebuild the bus cyclone cleaner at North Park Garage.
8,186	Facil. Eng./Maint.	Maint. & Repair	8,186	To provide Security Fencing at North Park Garage.
43,200	Operations Planning	Other Services	43,200	To provide consulting service in conjunction with the Automatic Passenger Counter project.
6,000	Materials Management	Mtgs./Travel	6,000	To provide necessary funding for un-anticipated travel.
25,000	Datacenter	Mtgs./Travel	25,000	To provide additional education for Datacenter personnel.
46,000	Management Services	Other Services	46,000	To provide funding for the purchase of Polyproof striping used on monthly passes.
39,800	Financial Services	Other Services	39,800	To fund the federally mandated Attachment 'p' audit.
43,000	Treasury	Labor	43,000	To provide funds for additional Currency Counters in order to reduce bank charges for dollar bill counting.

SUMMARY OF CHANGES TO OPERATING EXPENSES
DUE TO FARE RESTRUCTURING

Department/Budgeting Unit	# of Positions	Title	Labor	Material	Other	Total	Material & Other Explanation
Reductions to Operating Expenses							
Treasury (Central Counting)	12	Currency Counter (FTT)	\$ 192,700	\$ -	\$ -	\$ 192,700	
	8	Fare Equipment Repairer	304,900	300,000	1,600,000	2,204,900	Fare & Cash Box Parts/Blank Counting Charges
Equipment Engineering/Maintenance (Bus Shops)*	1	Print Shop Foreman	31,700	-	-	31,700	
	1	Binder Worker Leader	27,600	-	-	27,600	
	2	Paper Cutter	57,200	-	-	57,200	
	1	Helisel Pressman-Print Shop	28,800	-	-	28,800	
	1	Press Assistant	26,600	-	-	26,600	
	0	Bindery Worker	225,400	100,000	2,000	416,200	Transfer Printing Materials
Transportation	**	Vault Island Supervision (Operators)	590,000	-	-	590,000	
	**	Cash Box Pulling (Operators)	242,800	-	-	242,800	
Total Reductions	<u>35</u>		<u>1,727,700</u>	<u>488,900</u>	<u>1,602,000</u>	<u>3,818,600</u>	
Additions to Operating Expenses							
Financial Services (Operations)	3	Data Entry/Balance Clerk	100,600	-	-	100,600	
Internal Audit	1	Internal Auditor	33,900	-	-	33,900	
Transportation	5	Transportation Clerk III-Rail	184,000	-	-	184,000	
	5	Transportation Clerk IV-Bus	184,000	-	-	184,000	
	**	Ticket Agent	164,100	-	-	164,100	
Treasury (Charter/Pass Revenue)	4	Utility Clerk I (Composite)	134,200	8,200	87,000	229,400	Packaging Material/Pass Delivery
Treasury (General Office, Turnstiles & Investments)	3	Utility Clerk I (Composite)	100,600	-	-	100,600	
Management Services (Administrative Services)	1	Duplicator Operator	38,200	233,800	-	272,000	Polaproof Stripping
Public Affairs/Consumer Services	1	Finishing Clerk	33,500	-	-	33,500	
	-		-	-	100,000	100,000	Advertising Expense
Total Additions	<u>23</u>		<u>973,100</u>	<u>242,000</u>	<u>187,000</u>	<u>1,402,100</u>	
Net Reduction	<u>12</u>		<u>\$ 754,600</u>	<u>\$ 246,900</u>	<u>\$ 1,415,000</u>	<u>\$ 2,416,500</u>	

* Assumes complete elimination of the Maintenance Print Shop effective 4/1/84.

** These changes are actually from Scheduled Transit Operations and are therefore reflected in hours, not positions.



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